

## Changes in Sources of Health Care Coverage in Rhode Island

Jay S. Buechner, PhD

In recent years, the economic slowdown relative to the expansion experienced during the 1990s has generated concern that an increasing number of Americans will lose coverage for health care. Studies at the national and local levels have focused on both the growing number of uninsured persons<sup>1,2</sup> and the increasing disparities in the rates of coverage based on income, race and ethnicity, and other socioeconomic characteristics.<sup>3,4</sup> One of these studies has also presented national data on the sources of health care coverage during this period, showing a significant shift from employer-based private coverage to government-provided coverage.<sup>4</sup> This report employs survey data to examine trends in the source of health care coverage in the Rhode Island population from 1997 to 2003.

**Methods.** The Behavioral Risk Factor Surveillance System (BRFSS) is a national telephone survey of randomly selected non-institutionalized adults ages 18 and older that live in households with landline telephones. The BRFSS monitors key health risk behaviors, participation in health screening, and access to health care. It is administered in all 50 states and four U.S. territories with funding and methodological specifications provided by the Centers for Disease Control and Prevention (CDC).<sup>5</sup> Rhode Island has participated in the BRFSS since 1984; a professional survey organization conducts the annual survey under contract to the Rhode Island Department of Health. During the period 1997-2003, the number of persons responding to the survey ranged between 1,842 (in 1997) and 4,120 (in 2001). For analyses involving subgroups based on age, income, and race and ethnicity, data were aggregated over two-year periods in order to obtain sufficient sample size for reliable results. All proportions are weighted to adjust for the sample design and patterns of non-response.

The BRFSS includes basic questions on health insurance coverage. This analysis included an initial screening question for health coverage of any kind, a verification question for those who initially report no coverage, and questions for those with coverage that identify their particular type of health plan or program. For those with coverage, the indicated types of coverage were grouped into the following sources "Employer," "Self-paid," and "Government." Respondents ages 65 and older and those with coverage who did not specify the type were excluded from the analysis.

**Results.** During the period 1997-2003, the proportion of working age adults (ages 18-64) without health care coverage ("uninsured") fell from 10.3% in 1997 to 8.1% in 2001, then rose again in 2002 and 2003 so that in the latter year the proportion uninsured (10.4%) was nearly identical to that for 1997. However, in 2002-2003, the distribution of sources of coverage for the insured

population was noticeably different from the distribution in 1997-1998. (Figure 1) Fewer insured persons obtained their coverage through their employers or their family members' employers, and more insured persons obtained their coverage through government programs.

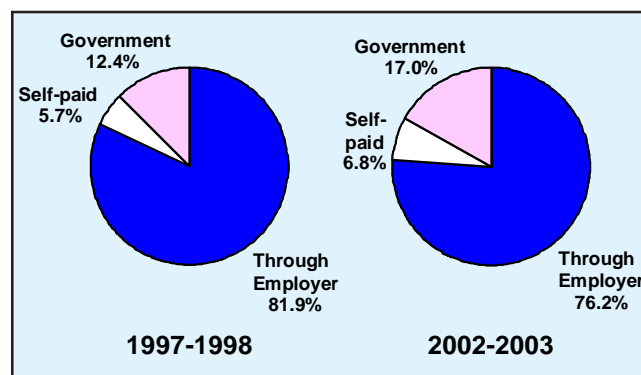


Figure 1. Source of health care coverage for persons ages 18-64, Rhode Island, 1997-1998 and 2002-2003.

The replacement of employer-based coverage with government-provided coverage during the period from 1997-8 to 2002-3 was most extreme among specific subgroups of the Rhode Island population defined by race and ethnicity, income, and age. The pattern by race and ethnicity was particularly complex. For non-Hispanic Whites, employer-based coverage eroded by 4.9 percentage points, and government programs grew by 3.7 points, with both changes slightly smaller than the corresponding changes for the working age population as a whole. (Figure 2) The Hispanic population showed a substantially larger movement from employer-based coverage to government-provided coverage. The non-Hispanic Black population was the only group investigated that showed movement in the opposite direction, i.e., growth in employer-based coverage and decline in government program participation.

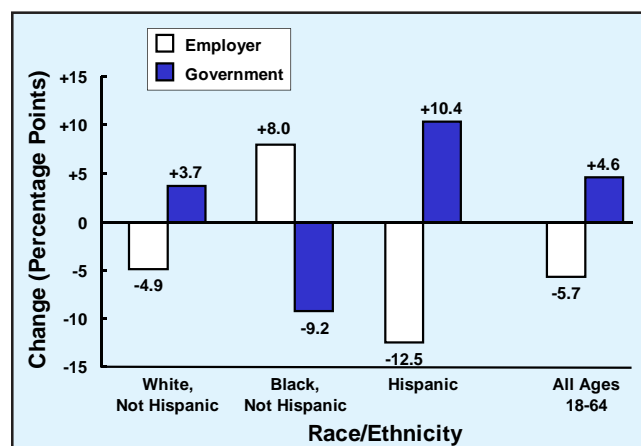
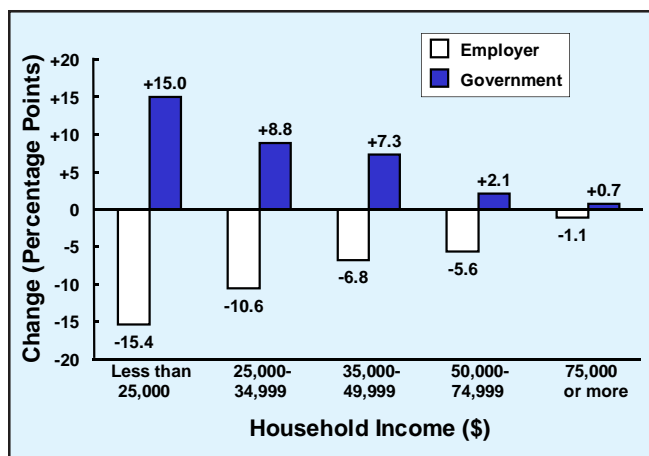


Figure 2. Changes in source of health care coverage for persons ages 18-64 from 1997-1998 to 2002-2003, by race and ethnicity, Rhode Island.

## Health by Numbers

The patterns of change across income and age groups were more straightforward. For all groups there was replacement of employer coverage by government programs. By income (Figure 3), the largest shift from employer-based coverage to government-provided coverage was in the lowest income group, and the smallest shift was among those earning \$75,000 or more. By age (Figure 4),



**Figure 3.** Changes in source of health care coverage for persons ages 18-64 from 1997-1998 to 2002-2003, by household income, Rhode Island.



**Figure 4.** Changes in source of health care coverage for persons ages 18-64 from 1997-1998 to 2002-2003, by age group, Rhode Island.

the magnitude of the shift decreased from the youngest working-age adults to the oldest.

**Discussion.** Since the mid-1990s, the percentage of the Rhode Island working-age population without health coverage has varied within a relatively narrow margin, first decreasing until the end of the decade, then increasing after 2001. These incremental changes have masked more substantial trends in the source of health coverage for working-age adults. During this period, the proportion of those who are insured who receive employer-based coverage has fallen from 82% to 76%, and the proportion covered by government programs has increased from just over 12% to 17%, representing an expansion in government coverage by more than one-third over a period of about six years. Among young adults, persons with low incomes, and Hispanics, the magnitude of this change was especially large.

If employer-based coverage continues to erode under the pressures of increasing health plan premiums, it is unlikely that government programs will continue to expand to offset such declines. Medicaid, the largest government program that provides coverage to working-age persons, is facing budgetary constraints at both the federal and state levels. Other government programs are limited in their impact, focusing on disabled adults, children with special health care needs, etc. Without a reversal of the trend in employer-based coverage, the likely result is an increasing number of uninsured among our working-age population, both nationally and in Rhode Island.

Jay S. Buechner, PhD, is Chief, Office of Health Statistics, and Clinical Assistant Professor of Community Health, Brown Medical School.

### References

1. Nelson DE, Bolen J, et al. State trends in uninsurance among individuals aged 18 to 64 years: United States, 1992-2001. *Am J Pub Health* 2004;94:1-6.
2. Hesser JE, Buechner JS. Health care coverage in Rhode Island. *Med & Health/RI* 2003;86:398-9.
3. Novais A, Buechner JS. The challenge of eliminating health disparities among Rhode Island's minorities. *Med & Health/RI* 2004;87:380-1.
4. Hargreaves JL. Trends in health insurance coverage and access among Black, Latino, and White Americans, 2001-2003. Tracking Report No. 11. Washington DC: Center for Studying Health System Change. November 2004.
5. Centers for Disease Control and Prevention. Behavioral Risk Factor Surveillance System. <http://www.cdc.gov/brfss>.

Originally published in the April 2005 issue of *Medicine & Health / Rhode Island*

**HEALTH**

Rhode Island Department of Health  
Office of Health Statistics  
3 Capitol Hill  
Providence, RI 02908

Change service requested  
401 222-2550

PRSRT\_STD  
U.S. Postage  
PAID  
Providence, R.I. 02904  
Permit No. 1286